WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Lori R. Fife
Shai Y. Waisman

Attorneys for Debtors and
Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11 Case No.**
STONE BARN MANHATTAN LLC (f/k/a Steve & Barry's Manhattan LLC), et al.,	:	**08-12579 (ALG)**
Debtors.	:	**(Jointly Administered)**

STIPULATION, AGREEMENT AND ORDER BETWEEN THE DEBTORS AND NEWPORT CROSSING ASSOCIATES LLC

RECITALS:

A. On July 9, 2008 (the "Commencement Date"), Stone Barn Manhattan LLC (formerly known as Steve & Barry's Manhattan LLC) and certain of its debtor affiliates, including Steve & Barry's Virginia LLC, as debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"), each commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

B. By order dated July 10, 2008, the Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered.

C. Steve & Barry's Virginia LLC and Newport Crossing Associations LLC (the "Landlord," and together with the Debtors, the "Parties") are parties to that certain Shopping Center Lease Agreement (as may have been amended from time to time, the "Lease"), dated January 24, 2008, pursuant to which the Debtors leased the premises located at Store No. 439 in the Shopping Center known as Newport Crossing and located in the city of Newport News and the Commonwealth of Virginia, and having an address of the intersection of Warwick Boulevard and Oriana Road, Newport News, Virginia 23607 (the "Premises").

D. On July 16, 2008, the Debtors filed an amended motion pursuant to sections 105(a), 363, and 365 of the Bankruptcy Code and Bankruptcy Rules 6004 and 6006 for (i) approval of procedures in connection with the sale of all or substantially all of the debtors' assets, (ii) authorization to enter into stalking horse agreements in connection therewith, (iii) approval of the payment of stalking horse protections, and (iv) the setting of related auction and sale hearing dates ("Sale Motion") (Docket No. 100). On August 5, 2008, the Bankruptcy Court entered an order granting the Sale Motion ("Sale Order") (Docket No. 369), which required the Debtors to file an assignment schedule ("Assignment Schedule") providing details of the unexpired leases that the Debtors intended to assume and assign.

E. On August 8, 2008, the Debtors filed a notice of assumption of unexpired leases ("Assumption Notice") (Docket No. 403), which contained as an exhibit an Assignment Schedule identifying the Lease as an unexpired lease the Debtors sought to assume and assign. The Assignment Schedule identified the "proposed cure amount" as $81,796.89.

F. On August 15, 2008 the Landlord filed an objection (the "Original Objection") (Docket No. 490) to the Assumption Notice on the grounds that the Lease had been terminated prepetition and, therefore, could not be assumed pursuant to 11 U.S.C. § 365.

G. The Original Objection remains pending.

H. On December 19, 2008, the Debtors filed a Notice of Rejection of Executory Contracts for Unexpired Leases of Nonresidential Real Property rejecting the Lease effective as of December 31, 2008 (the "Lease Rejection").

I. On January 8, 2009, the Landlord filed an Objection (the "Rejection Objection," and together with the Original Objection, the "Objections") to the Lease Rejection, in which the Landlord alleged, among other things, that, by letter dated July 2, 2008, the Lease was terminated by the Landlord.

J. The Parties have entered into this Stipulation to resolve the Lease Rejection and Objections thereto.

NOW, THEREFORE, in consideration of the foregoing, the Parties do hereby stipulate and agree as follows:

1. Notwithstanding the Assumption Notice, the Lease Rejection and the Objections, the Lease shall be deemed to have been terminated as of July 2, 2009 (the "Termination Date"), and the Landlord shall be deemed to have taken possession of the Premises as of the Termination Date.

2. The Assumption Notice (solely with respect to the Lease), the Lease Rejection (solely with respect to the Lease) and the Objections shall be deemed withdrawn with prejudice.

3. This Stipulation, Agreement and Order contains the entire agreement between the Parties as to the subject matter hereof and supersedes all prior agreements and undertakings between the Parties relating thereto. This Stipulation, Agreement and Order is subject to approval of the Court and shall be of no force and effect unless and until it is approved.

4. This Stipulation, Agreement and Order may not be modified other than by a signed writing executed by the Parties hereto or by further order of this Court.

5. Each person who executes this Stipulation, Agreement and Order represents that he or she is duly authorized to execute this Stipulation, Agreement and Order on behalf of the respective Parties hereto and that each such party has full knowledge and has consented to this Stipulation, Agreement and Order.

6. This Stipulation, Agreement and Order may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation, Agreement and Order to present any copy, copies, or facsimiles signed by the Parties hereto to be charged.

Dated: April 8, 2009
New York, New York

By: /s/ Shai Y. Waisman
Lori R. Fife
Shai Y. Waisman
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for the Debtors
and Debtors in Possession

By: /s/ Steven B. Eichel
Bruce J. Zabarauskas
Steven B. Eichel
CROWELL & MORING LLP
153 East 53rd Street
New York, New York 10022
Telephone: (212) 223-4000
Facsimile: (212) 895-4201

Attorneys for Newport Crossing
Associates LLC

SO ORDERED, this
20th day of April, 2009

/s/ Allan L. Gropper
UNITED STATES BANKRUPTCY JUDGE